

Paul becomes cosponsor of FARRM Act *Bill provides tax incentive for farmers and ranchers to prepare for future*
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WASHINGTON, DC - Calling the legislation an important tool for farmers and ranchers trying to provide for themselves, US Representative Ron Paul on Tuesday became a cosponsor of HR 3659, the Farm and Ranch Risk Management Act (FARRM Act). This measure provides farmers and ranchers with a big tax incentive to set aside money for bad years.

Under the FARRM Act, farmers and ranchers can put up to 20% of their annual farm income into a specially-designated account, with the amount being tax-deductible. Money could be kept in the account for up to five years and be used at any time to supplement income in bad years.

"Farming and ranching are financially risky endeavors, and by removing tax-policy obstacles and providing tools like FARRM, those who make their living in agriculture will be able to be more self-reliant," said Paul. "These accounts will allow farmers and ranchers to achieve a level of income stability, by allowing them to shift funds from good years and use them in bad years."

Paul is also a cosponsor of HR429, legislation which would allow farmers and ranchers to utilize "income averaging." This process prevents farmers and ranchers from being saddled with large tax burdens in a "good" year, when they are simply making up for losses from a previous "bad" year.

"We need to be encouraging people to remain in agriculture, not penalizing them for participating in what is the backbone of 14th District's economy," added Paul.

The FARRM Act is sponsored by more than 45 Members of Congress, including Texas Reps. Pete Sessions (R), Lamar Smith (R), Max Sandlin (D), and Larry Combest (R). The legislation has been endorsed by the American Farm Bureau Federation.

